

ASSEMBLY BILL

No. 1711

Introduced by Assembly Member Galgiani

February 16, 2012

An act to amend Section 25943 of the Public Resources Code, relating to energy resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 1711, as introduced, Galgiani. Energy resources: energy savings program.

Existing law required the State Energy Resources Conservation and Development Commission, by March 1, 2010, to establish a regulatory proceeding to develop a comprehensive program to achieve greater energy savings in the state's existing residential and nonresidential building stock, in accordance with specified requirements. Existing law requires that the program developed pursuant to those provisions, among other things, ensure, for residential buildings, that the energy efficiency assessments, ratings, or improvements do not unreasonably or unnecessarily affect the home purchasing process or the ability of individuals to rent housing.

This bill would, for purposes of those provisions governing energy efficiency assessments, ratings, or improvement for residential buildings, specify that an unreasonable or unnecessary affect on the home purchasing process or the ability of individuals to rent housing includes an act or requirement in the assessment, rating, or improvement of a residential building that results in certain costs or delays the close of escrow.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 25943 of the Public Resources Code is amended to read:

25943. (a) (1) By March 1, 2010, the commission shall establish a regulatory proceeding to develop and implement a comprehensive program to achieve greater energy savings in California's existing residential and nonresidential building stock. This program shall comprise a complementary portfolio of techniques, applications, and practices that will achieve greater energy efficiency in existing residential and nonresidential structures that fall significantly below the current standards in Title 24 of the California Code of Regulations, as determined by the commission.

(2) The comprehensive program may include, but need not be limited to, a broad range of energy assessments, building benchmarking, energy rating, cost-effective energy efficiency improvements, public and private sector energy efficiency financing options, public outreach and education efforts, and green workforce training.

(b) To develop and implement the program specified in subdivision (a), the commission shall do both of the following:

(1) Coordinate with the Public Utilities Commission and consult with representatives from the Department of Real Estate, the Department of Housing and Community Development, investor-owned and publicly owned utilities, local governments, real estate licensees, commercial and home builders, commercial property owners, small businesses, mortgage lenders, financial institutions, home appraisers, inspectors, energy rating organizations, consumer groups, environmental and environmental justice groups, and other entities the commission deems appropriate.

(2) Hold at least three public hearings in geographically diverse locations throughout the state.

(c) In developing the requirements for the program specified in subdivision (a), the commission shall consider all of the following:

(1) The amount of annual and peak energy savings, greenhouse gas emission reductions, and projected customer utility bill savings that will accrue from the program.

1 (2) The most cost-effective means and reasonable timeframes
2 to achieve the goals of the program.

3 (3) The various climatic zones within the state.

4 (4) An appropriate method to inform and educate the public
5 about the need for, benefits of, and environmental impacts of, the
6 comprehensive energy efficiency program.

7 (5) The most effective way to report the energy assessment
8 results and the corresponding energy efficiency improvements to
9 the owner of the residential or nonresidential building, including,
10 among other things, the following:

11 (A) Prioritizing the identified energy efficiency improvements.

12 (B) The payback period or cost-effectiveness of each
13 improvement identified.

14 (C) The various incentives, loans, grants, and rebates offered
15 to finance the improvements.

16 (D) Available financing options including all of the following:

17 (i) Mortgages or sales agreement components.

18 (ii) On-bill financing.

19 (iii) Contractual property tax assessments.

20 (iv) Home warranties.

21 (6) Existing statutory and regulatory requirements to achieve
22 energy efficiency savings and greenhouse gas emission reductions.

23 (7) A broad range of implementation approaches, including both
24 utility and nonutility administration of energy efficiency programs.

25 (8) Any other considerations deemed appropriate by the
26 commission.

27 (d) The program developed pursuant to this section shall do all
28 of the following:

29 (1) Minimize the overall costs of establishing and implementing
30 the comprehensive energy efficiency program requirements.

31 (2) (A) Ensure, for residential buildings, that the energy
32 efficiency assessments, ratings, or improvements do not
33 unreasonably or unnecessarily affect the home purchasing process
34 or the ability of individuals to rent housing. ~~A For purposes of this~~
35 ~~paragraph, an unreasonable or unnecessary affect on the home~~
36 ~~purchasing process or the ability of individuals to rent housing~~
37 ~~includes an act or requirement in the assessment, rating, or~~
38 ~~improvement of a residential building that results in any of the~~
39 ~~following:~~

1 (i) A requirement that a homeowner or purchaser advance any
2 money for additional costs.

3 (ii) A timeline for implementation that would result in a delay
4 in the close of escrow beyond the date specified in a sales contract
5 for close of escrow or mortgage rate lock for a loan needed to
6 fund a transaction.

7 (iii) A requirement that mandates the installation of any
8 energy-efficient product where the product's lifetime energy
9 savings would not exceed the cost of the product.

10 (B) A transfer of property subject to the program implemented
11 pursuant to this section shall not be invalidated solely because of
12 the failure of a person to comply with a provision of the program.

13 (3) Ensure, for nonresidential buildings, that the energy
14 improvements do not have an undue economic impact on California
15 businesses.

16 (4) Determine, for residential buildings, the appropriateness of
17 the Home Energy Rating System (HERS) program to support the
18 goals of this section and whether there are a sufficient number of
19 HERS-certified raters available to meet the program requirements.

20 (5) Determine, for nonresidential structures, the availability of
21 an appropriate cost-effective energy efficiency assessment system
22 and whether there are a sufficient number of certified raters or
23 auditors available to meet the program requirements.

24 (6) Coordinate with the California Workforce Investment Board,
25 the Employment Training Panel, the California Community
26 Colleges, and other entities to ensure a qualified, well-trained
27 workforce is available to implement the program requirements.

28 (7) Coordinate with, and avoid duplication of, existing
29 proceedings of the Public Utilities Commission and programs
30 administered by utilities.

31 (e) A home energy rating or energy assessment service does not
32 meet the requirements of this section unless the service has been
33 certified by the commission to be in compliance with the program
34 criteria developed pursuant to this section and is in conformity
35 with other applicable elements of the program.

36 (f) The commission shall periodically update the criteria and
37 adopt any revision that, in its judgment, is necessary to improve
38 or refine program requirements after receiving public input.

39 (g) Before implementing an element of the program developed
40 pursuant to subdivision (a) that requires the expansion of statutory

1 authority of the commission or the Public Utilities Commission,
2 the commission and the Public Utilities Commission shall obtain
3 legislative approval for the expansion of their authorities.

4 (h) The commission shall report on the status of the program in
5 the integrated energy policy report pursuant to Section 25302.

6 (i) The commission shall fund activities undertaken pursuant
7 to this section from the Federal Trust Fund consistent with the
8 federal American Recovery and Reinvestment Act of 2009 (Public
9 Law 111-5) or other sources of nonstate funds available to the
10 commission for the purposes of this section.

11 (j) For purposes of this section, “energy assessment” means a
12 determination of an energy user’s energy consumption level,
13 relative efficiency compared to other users, and opportunities to
14 achieve greater efficiency or improve energy resource utilization.